

Minutes of the Finance Committee

Wednesday, May 22, 2013

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Dan Draeger, Richard Morris, Bill Zaborowski, Pamela Meyer, and Larry Nelson. **Absent:** Cathleen Slattery (attending CJCC Strategic Planning meeting).

Also Present: Chief of Staff Mark Mader, Infrastructure Administrator Al Mundt, Land Resources Manager Perry Lindquist, Solid Waste Supervisor Rebecca Mattano, Highway Operations Manager Pete Chladil, Principal Financial Projects Analyst Bob Ries, Administrative Services Manager Randy Setzer, Accounting Services Coordinator Cynthia Lilley, The *Freeman* Reporter Darryl Enriquez, Senior Financial Budget Analysts Bill Hanna and Clara Daniels, Parks System Manager Duane Grimm, and Senior Landscape Architect Steve Brunner. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 4-17-13 and 4-23-13

MOTION: Morris moved, second by Draeger to approve the minutes of April 17. Motion carried 6-0.

MOTION: Morris moved, second by Draeger to approve the minutes of April 23. Motion carried 6-0.

Schedule Next Meeting Date(s)

- June 5 (Morris absent)
- June 19 (joint meeting then regular meeting)
- Canceled: July 3

Ordinance 168-O-018: Expenditure Of Seized Funds – Amend The 2013 Sheriff's Department Budget For The City Of Oconomowoc

Severson explained the department's request to distribute \$10,204 in seized funds to the City of Oconomowoc (part of the County's tactical team) so they can purchase two shotguns (\$1,780); eight lights for shotguns (\$2,592); two rifle mounts for squad cars (\$1,635); and three ballistic protector shields (\$4,197). The current seized fund balance is \$126,147. The City of Oconomowoc Police Department has indicated that the funds will be used for enhancement purposes and not to supplant the budget in accordance with federal guidelines.

MOTION: Morris moved, second by Zaborowski to approve Ordinance 168-O-018. Motion carried 6-0.

Contract Procurement Process for Server Administration Services

Mundt advised this three-year contract was awarded to McGladrey, LLP; Omni Resources, Inc; and VIVA USA, Inc; the highest rated proposers. The requested budget for 2014 is \$161,000 and \$130,000 is budgeted for the remaining six months of 2013. Funds will be spent according to need and subject to funding ability. These three vendors were the only vendors to submit RFPs.

MOTION: Zaborowski moved, second by Nelson to approve the contract procurement process for server administration services. Motion carried 6-0.

Contract Procurement Process for Community Yard and Wood Waste Composting

Lindquist indicated the contracted was awarded to Purple Cow Organics LLC, the highest rated proposer, for a total three-year cost of \$288,000. The first year cost is \$96,000 and the budgeted amount was \$125,000. Three vendors submitted RFPs for consideration.

To answer Meyer's question, Lindquist advised approximately 20 communities are involved in this program.

MOTION: Morris moved, second by Draeger to approve the contract procurement process for community yard and wood waste composting. Motion carried 6-0.

Fund Transfer 13-240-4710: Public Works Department – Transfer Funds from Operating Expenses to Fixed Assets

Chladil explained this item which involves transferring \$5,600 for the purchase of cutter wheels for a Grind Lazer. If the grind wheels had been purchased separately from the Grind Lazer, they would have been purchased out of operating expenses (small tools/supplies account). The transfer will align the budget to where the purchase was made as required for the proper accounting of the Grind Lazer in the fixed asset system.

MOTION: Nelson moved, second by Zaborowski to approve Fund Transfer 13-240-4710, Public Works Department. Motion carried 6-0.

1st Quarter Report on Investments

Ries discussed his report as outlined which included information on the highlights section, investment yield and revenue, average daily balances, total investment income and rates, and the various investment portfolios. The total return for the quarter was down 20 basis points from last quarter, to 0.29%. Total interest earnings for the quarter were \$567,712, down \$288,188 from the 4th quarter, however, an increase of \$33.2 million in average invested balances helped to mitigate the decrease in interest earnings. The average daily balance, total all investments, for the 1st quarter was \$190,390,600.

MOTION: Zaborowski moved, second by Draeger to accept the 1st quarter investments report. Motion carried 6-0.

Ordinance 168-O-017: Amend Waukesha County Code Of Ordinances To Modify Waukesha County Investment Policy

Ries said between the County's bank and the State, insurance coverage on our bank account totals \$650,000. However, the County has an account balance, on average, of \$7 to \$8 million. To eliminate that exposure, the County's current policy states that any bank acting as our depository must guarantee our accounts either with an insurance policy or establish an account with a third party whereby the bank would pledge US government securities equal or greater to our account values. During the recent RFP process for banking services, one bank had instead proposed obtaining a letter of credit from a federal home loan bank to guarantee the amount of the County's deposits. Our bond counsel reviewed this process and concurred this type of an arrangement was as

safe as our current options. After some research, Ries said this process is a growing trend. Copies of amended Article I, Section 7-70 of the County Code, outlining this amendment, were sent out with the agenda. This ordinance was discussed further for clarification purposes due to questions posed by the committee, primarily to ensure the County's funds would in fact be fully insured.

MOTION: Draeger moved, second by Zaborowski to approve Ordinance 168-O-017. Motion carried 6-0.

Ordinance 168-O-019: Modify The 2013 Health And Human Services Budget To Include Additional Revenue And Expenditures Related To The Crisis Intervention Program

Setzer and Lilley were present to discuss this ordinance which authorizes the department to modify the 2013 budget by appropriating an additional \$10,000 in charges for services revenue related to client billable hours, appropriating an additional \$10,000 in operating costs for the purchase of equipment and shifting \$36,000 of operating expenses to personnel costs.

The 2013 budget appropriated \$48,000 for the contract with the Mental Health Association (MHA). The MHA provided two months or \$8,000 worth of services for the months of January and February. The remaining \$40,000 of the contract would be used to fund estimated personnel costs of \$36,400 and operating costs of \$3,600 needed so County staff can provide crisis services. Staff estimates this will provide at least two hours of billable service per weekend day and holiday, and will generate approximately \$10,000 more in charges for services. This funding would be used to increase operating expenses for the one-time purchase of equipment (laptops) to provide crisis services.

Setzer said the MHA is terminating the contract for weekend and holiday crisis coverage which will instead be provided in-house at the Human Services Center. This change will also provide greater continuity of services and be more cost effective. To answer Haukohl's question, Setzer advised this service is an unfunded mandate.

Mader discussed an amendment that will be considered tomorrow by the presenting committee, Health & Human Services. The amendment will not be voted on by this committee. The additional language, which he referred to as a housekeeping item and should not be controversial, will read as follows: "Be it further ordained that clinical therapists assigned to after hours mobile crisis service shall be compensated at time and one half for the base hours assigned. If the actual work hours exceed the base hours assigned, the employees will be paid time and one half for actual hours worked." Haukohl felt it was important the amendment also include verbiage explaining the pay is retroactive to March 1, 2013. Meyer felt clarification was needed in the ordinance specifying that after hours on-call work would be compensated separately from the regular work schedule. The term "two hours base pay" refers to weekend and holiday pay when on-call. Mader asked Setzer to check with Corporation Counsel and Human Resources staff for the correct language prior to tomorrow's Health & Human Services Committee meeting. The committee approved the ordinance with the understanding satisfactory amendments addressing Haukohl's and Meyer's concerns would be approved at tomorrow's meeting.

MOTION: Morris moved, second by Zaborowski to approve Ordinance 168-O-019. Motion carried 6-0.

Fund Transfer: Health & Human Services – Transfer Funds From Operating Expenses (Contingency Fund) to Operating Expenses (HHS General Fund)

Setzer and Lilley were present to discuss this item which involves transferring \$45,000 to provide Crisis Intervention for the First Call for Help/211 hotline. The County contracts with the Mental Health Association (MHA) to provide this service which is required to maintain certification as a Level 3 crisis intervention county. The MHA, a 501(c)(3) corporation, is projected to incur a deficit in 2013. Staff are working with the MHA and United Way to develop a plan to make the MHA sustainable in the future. The contingency fund transfer will provide about two months of funding as the plan is finalized. Staff became aware of the MHA's projected deficit after adopting the 2013 budget and did not include increased expenditures for the mandated hotline.

Setzer said we have no alternative at this time because this is a mandated service. Haukohl had concerns with giving the MHA money to help them become sustainable and did not think this was an appropriate use of contingency funds. Morris had concerns they could request more money at a later date. Hanna noted staff did meet with Administration Director Norm Cummings on this issue. This is a short-term option/stop gap measure to buy the County some time and meet State requirements while creating a long-term plan. Haukohl said she would consider approving this if she knew Administration staff supports this and will continue to monitor the agency. She felt more information on this prior to today's meeting would have been helpful. To answer Meyer's question, Setzer said once we receive information from United Way, the MHA Board can decide whether they will sustain operations and hence, should we continue working with them on a long range plan. Meyer asked if it was possible to recoup the \$45,000. Hanna said that would be difficult since they are working on a long-term sustainable plan. He noted it is unlikely additional funds would be approved. If a sustainable plan cannot be developed, alternatives will need to be examined. Setzer said County Executive Dan Vrakas is planning to meet with the United Way and the MHA. Nelson suggested we lobby the State on some of these unfunded mandates. Mader suggested bringing this issue to the attention of Legislative Policy Advisor Sarah Spaeth.

MOTION: Meyer moved, second by Morris to approve the contingency fund transfer to the Health & Human Services Department. Motion carried 6-0.

Ordinance 168-O-014: Approve Land Use Permit To Mammoth Springs LLC For Site Development Activities Necessary To Construct Residential And Retail Buildings And Associated Infrastructure And Approve Bugline Trail Relocation Agreement

Grimm and Brunner explained this ordinance which authorizes the department to issue a land use permit and enter into the appropriate agreements to relocate a portion of the Bugline Trail through property owned by Mammoth Springs LLC and the Village of Sussex. Grimm advised of an error in the ordinance (line 7): Town of Merton should read Village of Sussex. Grimm gave a PowerPoint presentation on the plan and the agreement which he discussed in detail. This ordinance has no fiscal impact to the County.

MOTION: Draeger moved, second by Morris to approve Ordinance 168-O-014. Motion carried 6-0.

State Legislative Update

Spaeth noted there are not many bills to report on at this time. However, the Joint Finance Committee (JFC) took up two of our main concerns whereby child support and county conservation

grant funds were restored to their original funding levels. Circuit Courts funding cuts have not yet been taken up. Spaeth highlighted motions recently passed by the JFC. Motion 62 prohibits local governments from enacting local ordinances for storm water management that are stricter than statewide standards. She noted that Waukesha County does have some standards that are stricter. She knew this was in the works but did not know, nor did the DNR, that it would be included in the budget bill (Motion 153). Counties will now be allowed to carry over unused tax levy. Motion 236 expands statutory requirements whereby all local governments must post expenditures on a website. Draeger was concerned as to how much this would cost the County. Spaeth said Administration Director Norm Cummings is not too concerned about it. The information can easily be uploaded as we are already doing that in other areas of County government. Spaeth noted this program began two years ago for State expenditures but the website is still not up and running. Haukohl asked Spaeth to look into the 211 unfunded mandate and hopes we can lobby on that, and other unfunded mandates, in the future. Spaeth said she had asked Health & Human Services Director Peter Schuler for a list of unfunded mandates and those that require county matching dollars.

Chair's Executive Committee Report of 5-20-13

Haukohl highlighted the following items discussed at the last Executive Committee meeting.

- Heard a presentation on the Emergency Management operations audit. Out of the 64 standards that were measured, we met 62 and we can comply with the other two.
- Approved five appointments and Ordinance 168-O-017.
- The Executive Committee meeting may be changed to the third Friday of each month to accommodate Supervisor Dave Swan who has been asked to serve as vice president of the Wisconsin County Highway Association (WCHA) Board of Directors which meets on the same day as the Executive Committee.

Future Agenda Items

- Tour the New Human Services Building (Haukohl)

MOTION: Morris moved, second by Draeger to adjourn at 11:36 a.m. Motion carried 7-0.

Respectfully submitted,

William J. Zaborowski
Secretary